



USDA Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Template Version 2.09

Voluntary Report - public distribution

Date: 6/28/2006

GAIN Report Number: PL6041

Poland

Livestock and Products

Polish Bovine Genetics Market 2006

Approved by:

Ed Porter, Agricultural Counselor
U.S. Embassy

Prepared by:

EP, PR

Report Highlights:

Poland's market for U.S. bovine genetics is expected to grow within the next few years due to increased demand for high quality Holstein genetics and higher beef cattle inventories.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Warsaw [PL1]
[PL]

Table of Contents

Executive Summary	3
Production	3
Genetic Value of Polish Dairy Cows	3
Trade.....	3
Potential for Increase of U.S. Bovine Genetics Imports	4

Executive Summary

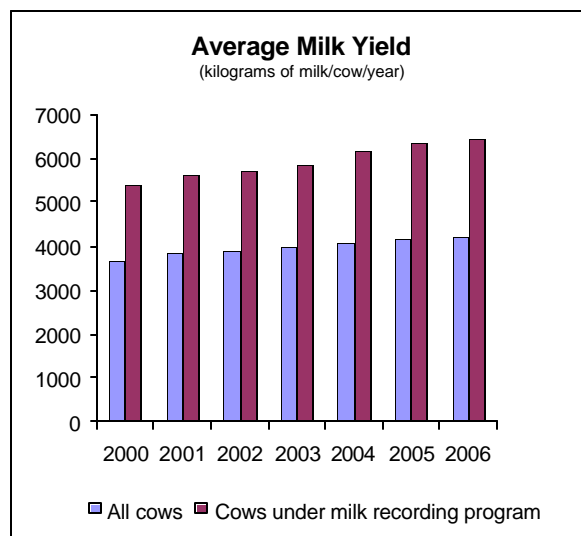
Poland's market for U.S. bovine genetics is expected to grow within next few years due to increased demand for high quality Holstein genetics and higher beef cattle inventories. Current U.S. market share estimated at 16 percent could significantly increased by more active promotion and training programs coordinated by the National Association of Animal Breeders and US Genetics Export Council.

Production

As of January 1, 2006 in Poland there were nearly 5.4 million head of cattle out of which 2.7 million were dairy cows. It is estimated that almost 70 percent of dairy cows are artificially inseminated (AI). As 1.4 doses of semen are used on the average per pregnancy, it is estimated that the total annual Polish bovine semen market amounts to 2.6 million doses. In 2005, two thirds of the semen used for AI was from Holstein bulls (dairy) and one third from beef bulls. Beef bull semen is mostly used for the production of crossbred calves which are exported to Italy and France.

Genetic Value of Polish Dairy Cows

There is an ongoing increase in the milk yield of dairy cows in Poland reflecting an improvement in the genetic value of the Polish dairy herd. Polish dairy cattle consists mostly (90 percent) of black&white cattle. Since the mid-nineties, farmers have used domestic and imported semen of Holstein bulls to increase the productivity of their dairy herds. It is estimated that 20 percent of dairy cows are under the milk recording program (MRP). The graph shows the increase of milk yields in both commercial herds and cows under MRP (active population). Since EU accession in May 2004, Poland's overall milk production has been limited by a production quota. As a result, farmers tend to increase milk yield (genetic value) of cows and reduce dairy herd numbers to lower their costs of production. This policy is creating demand for imports of high quality dairy genetics.



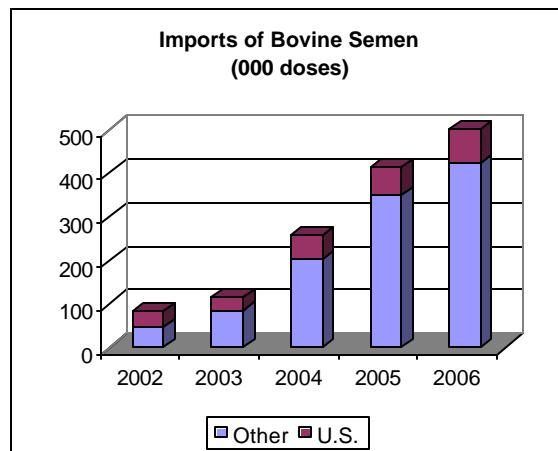
Trade

The total value of the Polish bovine genetics market is estimated at US\$ 25-30 million. In 2005, Poland imported 415,055 doses of bovine semen, mainly from Germany, France and the United States. The total value of imported semen amounted to US\$ 2.22 million. The value of imports from the U.S. amounted to almost US\$ 350,000. In addition to direct imports of semen from the U.S., there were transshipments of U.S. semen from other EU countries, mainly Great Britain. Bovine semen imported from the United States is used mostly in the best herds under MRP. EU accession stimulated imports of bovine genetics to Poland due to facilitation of import procedures both from other EU member states and third countries.

In addition, the GOP has announced implementation of a new program of development of Polish beef herds (see GAIN Report PL6022), which is suppose to start January 1, 2007. The program assumes an increase in the beef cattle herd from current 45,000 head to 325,000 head by 2013. This increase will be accomplished by insemination of culled dairy cows with imported beef cattle semen. This is expected to lead to an increase in demand for U.S. beef cattle semen.

Potential for Increase of U.S. Bovine Genetics Imports

The major Polish semen importers have extensive experience with importing U.S. bovine genetics. However, they have to compete with French, German and Dutch suppliers of



cheaper but lower genetic value bull semen. Semen offered by West European suppliers in most cases originates from bulls with 100 percent U.S. genetics. However, the genetic quality of their semen is one or two generations behind the genetics available directly from the U.S.

Further training and education of dairy farmers are required to explain the superiority of U.S. dairy genetics over genetics imported from other member states within the EU. It could be achieved by seminars and training courses organized by the National Association of Animal Breeders and US Genetics Exports Council.

The expected increase of beef cattle inventories in Poland also creates an opportunity to increase imports of semen and embryos of U.S. beef cattle. Promotion of these products should be accompanied by seminars and workshops about management and feeding of beef cattle.